

1                                   **MINUTES OF THE JOINT MEETING OF THE**  
2                                   **BOUNTIFUL CITY COUNCIL AND**  
3                                   **BOUNTIFUL LIGHT AND POWER COMMISSION**  
4                                   **April 15, 2008 - 6:300 p.m.**

5  
6                                   **Those in Attendance**

7  
8                   **Power Commission**

9                   Lowell Leishman, Chairman  
10                  John Cushing  
11                  Richard Foster  
12                  Ralph Mabey  
13                  Fred Moss, City Council  
14                  Jed Pitcher  
15                  David Irvine   (arrived 7:30 p.m.)

8                   **Power Department**

9                   Allen Johnson, Director  
10                  Mark Athay  
11                  Jay Christensen  
12                  Alan Farnes  
13                  Jim Hadlow  
14                  Brent Thomas

15  
16                                   **Recording Secretary**

17                   Nancy T. Lawrence

17                   **City Council**

18                  Joe L. Johnson, Mayor  
19                  Councilmembers:  
20                    Beth Holbrook  
21                    John Marc Knight  
22                    Fred Moss  
23                    Scott Myers  
24                    Tom Tolman

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26                   **Administrative Staff**

27                  Tom Hardy, City Manager  
28

29                   **WELCOME**

30                  Chairman Leishman called the meeting to order at 6:30 p.m. and welcomed those in  
31                  attendance.  
32

33                   **INVOCATION**

34                  The invocation was offered by Commissioner Cushing.  
35

36                   **BUDGET PRESENTATION - 2008-2009**

37                  Mr. Christensen presented the proposed \$28,347,494 Fiscal Year 2008-2009 Budget for  
38                  Bountiful City Light and Power. He noted that Metered Sales are projected to be \$22,159,756,  
39                  up 11.1%, and represent 78.2% of the budget. Air Products, the sole industrial customer, has  
40                  projected sales of \$2,615,887, up 13.8%.  
41

42                  Power costs are projected to be \$16,987,999, up 18.9%, and represent 59.9% percent of  
43                  expenditures. Expenditures for operations, excluding total power costs, are projected to be  
44                  \$5,533,024, down 0.6%, and capital expenditures are projected to be \$2,830,000, up 5.8%.

1 Total labor (included in both operating and capital costs) is projected to be \$3,743,162,  
2 up 2.9%. This includes no increase in full-time employees and two additional part-time  
3 employees.  
4

5 The budget proposes to increase certain kWh rates by 8.0%, and to restructure monthly  
6 customer charges, demand charges, and other kWh rates to bring commercial and industrial  
7 customers in line with the effective kWh rates paid by residential customers.  
8

9 Mr. Christensen presented historical data which affirmed the growth in power  
10 consumption and the costs of delivering that power. The major factors which are driving the  
11 proposed rate increase are:

- 12 • an approximate 18.2% rate increase in Colorado River Storage Project  
13 (CRSP), to be finalized May 2008
- 14 • Non-renewal of the Idaho Power contract and a need to replace that  
15 resource
- 16 • Increased natural gas costs
- 17 • Increased diesel fuel costs  
18

19 As a means of responding to these factors, energy previously sold to others will be  
20 recalled from the Intermountain Power Project (IPP) for summer 2008 and 2009.  
21

22 Discussion focused on patterns of usage (increased use during the summer months) and  
23 the fact that market prices are typically higher in the summer. Mr. Christensen reviewed a  
24 comparison of energy costs of all resources used and the amount of energy derived from each of  
25 those resources, and a lengthy discussion focused on projected loads and resources. Billing  
26 policies were explained and it was noted that commercial customers pay a demand charge in  
27 addition to the energy used and monthly customer charge.  
28

29 The group discussed options for acquiring power and the factors involved in increasing  
30 the capacity of the Power Plant production (200 West 200 South). It was also noted that the  
31 Power Department traditionally has contributed to the City General Fund, and the City has agreed  
32 to lower the contribution from 11 percent of electric metered sales to 10 percent, which will help  
33 to offset increased costs and reduce the amount of the proposed rate increase. It was also noted  
34 that the proposed budget includes a Note Payable to Bountiful City in the amount of \$373,099.  
35

36 The proposed budget also includes: \$260,000 to provide one contract tree crew for a full  
37 year; \$150,570 to finish the conversion of all residential meters to automatic meter reading  
38 (AMR) meters; \$200,000 to convert one-half of the commercial meters to AMR meters;  
39 \$400,000 for repairs to the Echo dam penstock; and \$50,000 for Echo dam upgrades.  
40

41 Proposed Capital Expenditures total \$2,830,000 and include: \$115,000 for a new tree  
42 trimming truck; \$25,000 for an engineering vehicle; \$15,000 for Village On Main Street;  
43 \$20,000 for PineView hydro program logic controller; \$400,000 for the 138KV substation  
44 upgrades; \$100,000 to begin engineering to add power plant generation; \$140,000 for  
45 distribution system Phase 8; \$530,000 for Central substation 20 MVA transformer; \$550,000

1 transmission system Phase 8; \$75,000 NW substation circuit switcher; \$160,000 transmission  
2 system Phase 7; \$400,000 feeder #572; \$50,000 miscellaneous projects as needed; and \$250,000  
3 for labor for all capital projects.  
4

5 Mr. Christensen concluded his presentation with a staff recommendation to approve the  
6 budget to fund operating expenses (power costs) by implementing an 8 percent rate increase,  
7 adjust monthly customer charges, and restructure commercial and industrial rates. He also  
8 presented a list of firm power resources, noting that 39.7 percent of the resources are "Green"  
9 power. Factors which will affect the construction of new resources and the impact of increased  
10 energy costs were discussed. Commissioner Irvine recommended that the City send its  
11 customers an economic signal that encourages energy conservation. The Commissioners also  
12 encouraged the staff to look toward long-range contracts and energy sources for firm power.  
13 Commissioner Pitcher made a motion to recommend approval of the BCL&P budget for fiscal  
14 year 2008-09, as presented. Commissioner Cushing seconded the motion and voting was  
15 unanimous.  
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17 The City Council, Mayor Johnson and Mr. Hardy were excused at this time (8:40 p.m.)  
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22 JOE L. JOHNSON, Mayor  
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27 KIM J. COLEMAN, City Recorder  
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